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President

State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Michael Winka, Director
Office of Clean Energy

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May 11, 2004

Charles J. Hesse, III, Director
Ocean Energy Corp., Inc.
P.O. Box 207
Belford, New Jersey 07718

Dear Mr. Hesse,

We have received and reviewed your Renewable Energy Advance Power Program proposal entitled "9.4 MW Landfill Gas to Energy Project to be located at the Ocean County Landfill Facility". I am pleased to inform you that your proposal has been conditionally approved based on the information that you have supplied.

The land fill gas project for Ocean County has been conditionally approved for up to \$2.97 million or 20% of the total qualified project costs, whichever is the lesser, from the REAP Program grant funds.

Your project must demonstrate that it will comply with all of the appropriate requirements from the New Jersey Department of Environmental Protection. This approval is contingent upon successfully demonstrating compliance with NJDEP criteria. The NJDEP expects Ocean Energy to propose emission performance levels at least as low as two current projects, or lower depending on whether Lowest Achievable Emission Rate (LAER), is applicable, or justify different levels of emissions based on site specific factors.

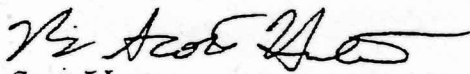
If you have any questions, please contact Mr. William Kuehne, Bureau of Preconstruction Permitting, (609) 633-8247, bill.kuehne@dep.state.nj.us.

Your award will also be subject to future analysis of qualified costs and could affect the grant portion of the award.

Demonstrating that the project is fully financed, either through this program or through other outside investment must also be finalized prior to the receipt of any grant funding from this program.

I look forward to working with you and ensuring the success of this project. If you have any questions, please feel free to call or email Ron Jackson at 609-777-3199 or Ronald.Jackson@bup.state.nj.us.

Sincerely,



Scott Hunter
Renewable Energy Program Administrator
New Jersey Office of Clean Energy
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625

Cc Michael Winka
Regina Csira
Ronald Jackson
Sandra T. Ayres
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